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Paul Votes to End Death Tax

Washington, DC- Congressman Ron Paul yesterday joined more than 260 of his Congressional colleagues in voting to repeal the harmful estate tax. The repeal represents the third plank of President Bush's tax cut plan; Paul also voted to lower marginal rates and eliminate the marriage tax penalty earlier this year. "The estate tax is immoral and counter-productive," Paul stated. "It amounts to government confiscation of an individual's property when he or she dies. Furthermore, it is a terrible form of double taxation. Americans pay federal and state income taxes on their wages throughout their lives. They pay income and capital gains taxes on money they save and invest. They pay sales taxes when they buy something. It is outrageous to tax them once again when they die, simply because they have worked hard and saved to create a legacy to pass on to their families." Estate taxes represent a very small portion of federal tax revenues (approximately 1.5%). The economic impact of the estate taxes, however, is widespread. Because of the complexity of the estate tax, Americans must spend millions every year on attorneys and accountants to minimize their tax burdens. "It's a myth that only the rich are affected by estate taxes," Paul continued. "Virtually all economists agree that the tax discourages work, savings, and thrift. Less savings results in less capital formation, which reduces economic development. My office has received hundreds of letters and emails from individuals and small business owners in my district. These people are not rich, but they have worked hard and saved to create an inheritance for their children. They are concerned that their children may have to sell the family farm or business simply to pay the estate tax bill. There is no justification for taxing these people once again simply because they have led productive lives." Paul is optimistic about Senate support for the estate tax repeal: "Washington politicians know that Americans across the country oppose the death tax. I applaud the Bush administration for its efforts in making the repeal a legislative priority."

